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In the Supreme Court of the United States

OCTOBER TERM, 1996

UNITED STATES OF AMERICA, PETITIONER

v.

HUGHES AIRCRAFT COMPANY

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF FOR THE UNITED STATES

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We initially requested that our petition be held pending the decision in *Warner-Jenkinson Co.* v. *Hilton Davis Chemical Co.*, No. 95-728, and disposed of as appropriate in light of the decision in that case. On March 3, 1997, the Court decided *Warner-Jenkinson*, 117 S. Ct. 1040. Because the court of appeals' holding here is squarely at odds with the unanimous decision of this Court in *Warner-Jenkinson*, this Court should grant the petition, vacate the judgment below, and remand the case for further consideration in light of *Warner-Jenkinson*.

1. Respondent contends (Br. in Opp. 5-10) that the petition should be denied because "the Federal Cir-

cuit has already directly decided the issue that would arise on a remand," *id.* at 9, and application of *Warner-Jenkinson* would not yield a different result. That contention is incorrect. This Court has now adopted the element-by-element limitation on the doctrine of equivalents. 117 S. Ct. at 1048-1049, 1054. A divided court of appeals on its initial review of the equivalents question, however, employed an "invention as a whole" standard. *Hughes VII*, Pet. App. 187a. On appeal after remand, when the United States again asserted an absence of infringement under the element-by-element rule, a new panel also divided, and law-of-the-case doctrine was determinative; only Chief Judge Archer concluded that the earlier panel majority's decision was consistent with element-by-element analysis, and even he acknowledged that the case was a close one. *Id.* at 21a-23a. Respondent's position thus depends on the views of a single judge out of the six who participated in the panel decisions, and that judge's opinion conflicts with this Court's decision in *Warner-Jenkinson*.

Warner-Jenkinson is controlling here, and requires that the court of appeals judgment be vacated. This Court expressed its concern in *Warner-Jenkinson* that the doctrine of equivalents "has taken on a life of its own, unbounded by the patent claims." 117 S. Ct. at 1048-1049. In accommodating the doctrine of equivalents to the statutory requirement of specific claiming, the Court held that "the doctrine of equivalents must be applied to individual elements of the claim, not to the invention as a whole." *Id.* at 1049. "[T]he accused device must be more than 'equivalent' *overall*." *Ibid.* (quoting *Hilton Davis Chemical* v. *Warner-Jenkinson Co.*, 62 F.3d 1512, 1573-1574 (Fed. Cir. 1995) (Nies, J., dissenting)). The Court further

cautioned that "[i]t is important to ensure that the application of the doctrine, even as to an individual element, is not allowed such broad play as to effectively eliminate that element in its entirety." *Ibid.*

Contrary to respondent's contentions (Br. in Opp. 7-9), the initial panel decision on this issue did not employ the requisite element-by-element analysis. *Hughes VII* reversed the trial court's finding of no infringement by equivalents because, in that panel's view, the trial judge erred in failing to compare "the claimed invention as a whole" with "the entirety of the accused S/E spacecraft." Pet. App. 187a. The court applied the function-way-result test, not to each claimed element, but to the patented and the accused attitude-control technologies as a whole. See *id.* at 191a-192a. It was the existence of "overall similarities" between the patented and accused devices that persuaded the court of appeals to find equivalency. *Id.* at 187a.

The dependency of the *Hughes VII* decision on the incorrect "invention as a whole" test—and its failure to employ an element-by-element analysis—is underscored by the opinion of Judge Davis, dissenting in pertinent part, who would have applied an element-by-element approach and found no infringement. Pet. App. 192a-197a (Davis, J., concurring in part and dissenting in part). Judge Davis identified specific claim elements that are not embodied by any equivalents in the accused spacecraft. Element (e) of representative Claim 1 requires a "means for providing an indication of ISA to an external location," whereas the accused satellites "do not provide any indication whatever of ISA to the earth (or any other external source)." *Id.* at 193a, 194a. To find infringement under the doctrine of equivalents, as did the majority, in the absence of

an equivalent to that specified element "is simply to obliterate and disregard this element of the claims." *Id.* at 194a. Similarly, elements (f) and (g) of the Williams patent, which "specif[y] the method for controlling the precession jet" (*id.* at 195a), require "means for applying fluid to fluid expulsion means within a fixed time period after the receipt of a control signal from the external location" (*id.* at 193a), yet, as Judge Davis observed, "[t]his does not occur in any of the accused structures." *Id.* at 195a.[1]

The majority's invention-as-a-whole approach in *Hughes VII* was undermined by the intervening en banc decision in *Pennwalt Corp.* v. *Durand-Wayland, Inc.*, 833 F.2d 931, 934-939 (Fed. Cir. 1987), cert. denied, 485 U.S. 961, 1009 (1988), which adopted the element-by-element approach that this Court has now embraced and, indeed, strengthened in *Warner-Jenkinson*. Although the accused fruit sorter in *Pennwalt* sorted as effectively relying on a computer as the patented device did with hard-wired circuitry, the court held that there was no infringement by equivalents due to the absence of an equivalent to the claimed "position indicating means" for tracking the location in the sorter of particular pieces of fruit. *Id.* at 935-936. The court rejected in that case an argument closely analogous to the one that respondents

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[1] In the accused S/E spacecraft,

> there is no fixed time interval between the receipt of the execute signal and the firing of the precession jet. No command signal is synchronized with the ISA. There is no structure on the store and execute spacecraft which acts to pulse the precession jet within a fixed time period after the receipt of a control signal.

Pet. App. 195a n.7.

make here, *i.e.*, that the accused devices simply accomplished with a computer the same function that the patent described with conventional circuitry. *Id.* at 935. The test announced in *Pennwalt*—and in *Warner-Jenkinson*—similarly compels a finding of no infringement here.

On appeal after remand, the court in *Hughes XII* did not succeed in reconciling *Hughes VII* with the element-by-element test, but relied principally on the law of the case. Pet. App. 23a-24a; *id.* at 24a-27a (Bryson, J., concurring). Chief Judge Archer alone believed that *Hughes VII* could be characterized as having found an equivalent in the accused devices of each of the elements claimed in the Williams patent, see *id.* at 21a-22a; even he acknowledged that "this was a close case, and reasonable minds could differ on the proper outcome," *id.* at 23a. The decisive vote of Judge Bryson, concurring, was based exclusively on law-of-the-case doctrine. *Id.* at 24a. To the extent that Judge Bryson opined on the merits, *ibid.*, he expressed substantial agreement with the views of dissenting Judge Nies, who stated that she would have looked to "[t]he actual structure of the specified components of the invention and of the accused devices" and found no infringement, *id.* at 38a; see also 31a-33a. Judge Nies thus specifically disagreed with Chief Judge Archer's conclusion that the element-by-element standard is met in this case. This Court has now in *Warner-Jenkinson* expressly adopted Judge Nies's explanation of the element-by-element approach to the doctrine of equivalents. 117 S. Ct. at 1054 (quoting *Hilton Davis*, 62 F.3d at 1573-1574 (Nies, J., dissenting)).

In sum, there is simply no basis for this Court to conclude that application of *Warner-Jenkinson* would not affect the outcome of this case.[2]

2. Respondent further contends (Br. in Opp. 10-13) that the equities counsel against application of *Warner-Jenkinson* here. Equitable considerations are irrelevant to whether a new decision of this Court applies to a pending case. *Harper* v. *Virginia Department of Taxation*, 509 U.S. 86 (1993), holds that, when this Court announces a rule of federal law applicable to the parties before it, application of that rule to all cases pending on direct review is mandatory. *Warner-Jenkinson*'s holding requiring element-by-element analysis applied to the parties in that case. 117 S. Ct. at 1054. The analysis of *Chevron Oil Co.* v. *Huson*, 404 U.S. 97, 106-107 (1971), under which a "new principle of law" could be denied application to a pending case in order to avoid "injustice or hardship," is thus inapplicable. See *Harper*, 509 U.S. at 96-98.

In respondent's view (Br. in Opp. 11), the United States should have petitioned for certiorari when *Hughes VII* was decided in 1983. The Court, however,

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[2] Respondent acknowledges (Br. in Opp. 10 n.4) that this Court recently "entered a GVR order in two cases [citations omitted] where it appeared that the element-by-element analysis was not conducted * * *." That is precisely the situation here. Respondent errs in relying (*ibid.*) on the recent denial of certiorari in two other cases. One of them, *Micron Separations, Inc.* v. *Pall Corp.*, No. 95-1096, apparently was not an appropriate candidate for GVR in light of *Warner-Jenkinson* because petitioner had never argued non-equivalence in the lower courts. See 95-1096 Br. in Opp. at 14. Similarly, *Maxwell* v. *J. Baker, Inc.*, No. 96-851, presented questions not implicated in *Warner-Jenkinson*. See 96-851 Pet. i; 96-851 Br. in Opp. at 15-16.

"generally await[s] final judgment in the lower courts before exercising [its] certiorari jurisdiction." *Virginia Military Institute* v. *United States*, 508 U.S. 946 (1993) (opinion of Scalia, J., respecting the denial of the petition for certiorari); see generally Robert L. Stern, Eugene Gressman, Stephen M. Shapiro and Kenneth S. Geller, *Supreme Court Practice* § 4.18, at 195-198 ("in the absence of some * * * unusual factor, the interlocutory nature of a lower court judgment will result in a denial of certiorari).[3] It is thus well established that parties need not petition from an interlocutory decision—even from a liability determination in a case in which the liability and remedial proceedings have been bifurcated, see *Virginia Military Institute*, *supra*—in order to preserve their challenge to the interlocutory decision in a petition after final judgment.

As Judge Nies stated, the prolonged duration of this suit "has not been due to the government's procrastination," Pet. App. 37a, nor does respondent contend otherwise, see Br. in Opp. 10-13. This Court has now clarified the applicable doctrine of equivalents, and it is evident that the S/E spacecraft did not infringe respondent's patent. It would be "a manifest injustice" (Pet. App. 41a) to let the court of appeals' $100 million judgment stand based upon an interpretation of the

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[3] If the United States had sought certiorari immediately following *Hughes VII*, the petition might well have been denied, both because the decision was interlocutory, and because the court of appeals had not yet rendered its conflicting *en banc* decision in *Pennwalt*. In view of the absence of any precedential or estoppel effect of a denial of certiorari, the parties would then have been in precisely the same situation as they are today.

doctrine of equivalents that this Court has squarely rejected as erroneous.

* * * * *

For the foregoing reasons, and for the reasons set forth in the petition, the petition for a writ of certiorari should be granted, the judgment below vacated, and the case remanded for further consideration in light of *Warner-Jenkinson*, *supra*.

Respectfully submitted.

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